

Multifamily Housing Notice 21-3

February 17, 2021

To: Developers, Sponsors, and Local Housing Contacts

From: Cheri Curley, Director, Tax Credit Allocation and Patrick Gill, Director, Tax Credit Compliance

Re: *CDA's Comments on IRS Notice 2021-12*

Thank you all for your partnership and commitment to continue advancing affordable housing.

LIHTC Relief available under IRS Notice 2021-12

On January 15, 2021, the IRS issued Notice 2021-12 which extends all COVID-19 relief measures originally provided under Notice 2020-53 and provides additional relief not included in Notice 2020-53. For your convenience here is a link to IRS Notice 2021-12: <https://www.irs.gov/pub/irs-drop/n-21-12.pdf>. The following are CDA's comments, first, on allocation relief, and, second, on compliance relief.

Relief measures in the area of allocation include:

10-Percent Test

If the IRS deadline to meet the 10-percent test is on or after April 1, 2020 and before September 30, 2021, the last day to meet the 10-percent test is postponed to the earlier of one year from the original due date or September 30, 2021.

Placed in Service Deadline

If the deadline for a building to be placed in service is December 31, 2020, the last day for a building to be placed in service is postponed to December 31, 2021.

24-Month Minimum Expenditure Period

If the 24-month minimum rehabilitation expenditure period for a building originally ends on or after April 1, 2020, and before September 30, 2021, the last day for the Owner to incur the minimum expenditure is postponed to the earlier of one year from the original end date or September 30, 2021.

If you require relief under any of the above areas, please contact Cheri Curley, Director, Tax Credit Allocation, via email at cheri.curley@maryland.gov.

IRS Notice 2021-12 also covers relief in other areas such as the event of casualty loss, occupancy obligations at the close of the first year of the credit period, etc. Please consult with your tax credit counsel to determine if relief is needed under these additional areas.

Compliance relief includes:

Extension of Relief from Recertifications

CDA's restates by reference its recognition of waivers from Recertifications as described in our Notice 20-08. For your convenience here is a link to that Notice: <https://dhcd.maryland.gov/HousingDevelopment/RHF%20Current%20Notices/Notice20-08.pdf>. The only change is the extension of the waiver date through September 30, 2021.

Extension of Relief from Site Visits

Similarly CDA restates its recognition of relief from Site Visits through September 30, 2021. In the absence of any further guidance from the IRS, CDA will perform Site Visits commencing on October 1, 2021 through December 31, 2021. We will not be able to complete all of the Site Visits otherwise required to be done in 2021. For those projects that we are unable to get to, the next regularly scheduled Site Visit will occur in 2024. CDA's focus in scheduling Site Visits in 2021 will be on projects that are due for their initial Site Visits in either 2020 or 2021.

If you have questions about compliance matters please contact Pat Gill, Director, Tax Credit Compliance by email at: patrick.gill@maryland.gov.

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IMPORTANT NOTICE REGARDING EMAILING OF MULTIFAMILY NOTICES

Multifamily Housing issues periodic notices (such as the one above) to announce new initiatives, provide important news, announce funding round deadlines, significant application changes, bond program amendments, and other key dates and facts on our website and by email only. You can subscribe to receive Multifamily Housing Notices at the following link:

<http://dhcd.maryland.gov/HousingDevelopment/Pages/About.aspx>

Notices are posted to the DHCD website at the following location:



MULTIFAMILY HOUSING UPDATES

<http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>